

1 Alik Segal (SBN 175159)
2 Law Offices of Alik Segal
3 433 N. Camden Dr. #400
4 Beverly Hills, CA 90210
5 Telephone: (310) 362-6157
6 Facsimile: (310) 382-2551
7 E-mail: Alik.Segal@BkFort.com
8 *Attorney for Debtor and*
9 *Debtor-in-Possession*

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**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SAN FERNANDO DIVISION**

In re:

JOSEPH WILLIAMS,

Debtor and
Debtor-In-Possession

Chapter 11

Case No.: 1-12-bk-20158-AA

**Revised Plan Addendum; Declaration of
Stella Berestetsky**

Disclosure Statement Hearing:

Date: November 5, 2014

Time: 10:00 am

Ctrm: 303

Place: 21041 Burbank Boulevard
Woodland Hills, CA 91367

Plan Confirmation Hearing:

Date: [To be set by the Court]

Time: [To be set by the Court]

Ctrm: 303

Place: 21041 Burbank Boulevard
Woodland Hills, CA 91367

**TO THE HONORABLE ALAN M. AHART, UNITED STATE BANKRUPTCY JUDGE,
UNITED STATES TRUSTEE, AND ALL OTHER INTERESTED PARTIES:**

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REVISED PLAN ADDENDUM

I. PREFACE

1. This revised plan addendum is reorganized primarily to improve readability and assure that all key facts mentioned in the First Amended Plan and Disclosure Statement (Doc 188) filed September 12, 2014 (“FAPDS”) are organized into a single internally consistent and complete document.
2. With regard to creditor treatment, feasibility, or any other plan attribute, the Revised Plan Addendum contains no new terms, facts or financial figures. It only highlights, explains or reorganizes facts and figures that had been included in the original Addendum or provides background information.
3. The revised plan addendum adds an alternative scenario. The arrangement described in the original Addendum is herein known as the Attorney Control scenario. The revised addendum contains the Attorney Control scenario and also adds another scenario—Split Control scenario. Both of these are described below. Provisions related to Split Control scenario are *italicized*.

II. PLAN SUMMARY

4. The Debtor Joseph Williams (“Debtor”) fought valiantly to preserve and improve his chapter 11 bankruptcy estate, consisting of six properties—five single family residences and one duplex. He overcame obstacles from which most ordinary business people would shrink. Four of the six properties were vacant and severely distressed. Debtor

1 managed to accomplish his goals of rehabilitating these properties on a limited budget,
2 while securing cooperation from a co-owner, the relationship with whom had been
3 difficult.

4
5 5. The six properties are

- 6 • 13755 Driftwood Dr., Victorville, CA 92392 ("Driftwood")
- 7 • 1675 West Blvd, Los Angeles, CA 90019-5809 ("West Blvd.")
- 8 • 5356 8th Ave, Los Angeles, CA 90043-4856 ("8th Ave.")
- 9 • 3629 S Genesee Ave, Los Angeles, CA 90016-5009 ("Genesee Ave.")
- 10 • 5271 Angeles Vista Blvd., Los Angeles, CA 90043 ("5271 AV")
- 11 • 5303 Angeles Vista Blvd., Los Angeles, CA 90043 ("5303 AV")

12
13
14 6. Properties Driftwood, West Blvd., and 8th Ave. may be referred to collectively as "DW8".

15 7. Properties Genesee Ave., 5271 AV, and 5303 AV may be referred to collectively as
16 "GAV".

17 8. Properties 5271 AV, and 5303 AV may be referred to collectively as "AV".

18
19 9. Now Debtor proposes a feasible plan, in which liquidity is assured by a well-heeled
20 investor Ms. Stella Berestetsky ("Investor"). Investor, who is an experienced real estate
21 investor, agrees to disburse up to \$60,000 until plan goals are accomplished. These
22 goals include paying off unsecured plan obligations, returning Investor's capital with
23 modest profit, and paying off chapter 11 attorney's fees, in that order. To fund this
24 plan, Debtor proposes to sell some properties, particularly those that present
25 management challenges.
26
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1 10. The plan proposes to pay the unsecured obligations and administrative overhead until
2 one or more properties are sold to pay off the unsecured plan obligations in full. Any
3 remainder from the first sale and, if necessary, proceeds from subsequent sales will be
4 used to pay down or pay off the Investor's disbursements. Investor's funds will not be
5 used to pay the fees of Debtor's attorney Alik Segal ("Attorney"). Attorney will be paid
6 only after both the unsecured creditors and the Investor have been paid in full.
7

8 11. Marketing of three of the six properties involves certain title difficulties. Two
9 properties, which are located on Angeles Vista Boulevard in Los Angeles, California ("AV
10 properties"), are co-owned with Mr. Maurice Stephenson ("Co-owner"). Co-owner
11 holds title to fifty percent (50%) of AV properties. Ms. Esther Escalante ("Gratuitous
12 Transferee") did not pay any consideration for her share and holds title to five percent
13 (5%) of three of these properties—AV properties and the property located on Eighth
14 Avenue in Los Angeles, California ("8th Ave. property"). Debtor holds title to forty five
15 percent (45%) of each AV property and ninety-five percent of 8th Ave. property. See
16 Figure 1 immediately below.
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	A	B	C	D	E
1	FIGURE 1				
2					
3	Co-owner 50%		Co-owner 50%		Debtor 95%
4					
5					
6					
7	Debtor 45%		Debtor 45%		
8					
9					
10					
11	5% Gratuitous Transferee		5% Gratuitous Transferee		5% Gratuitous Transferee
12					
13					
14	5271 Angeles Vista		5303 Angeles Vista		5356 8th Ave
15	Los Angeles, CA 90043		Los Angeles, CA 90043		Los Angeles, CA 90043

12. Because Gratuitous Transferee paid no value for the transfer, her interest is vulnerable to an action for quiet title. Muktarian v. Barmby, 63 Cal.2d 558 (1965). Once the title of Gratuitous Transferee is cleared, the properties can be marketed. AV properties will be marketed either with Co-owner's consent or pursuant to a partition action. Although cooperation had been difficult to achieve in the past, Debtor hopes that a sale of AV properties will be achieved cooperatively. Otherwise a partition action will be necessary.

13. General Unsecured Creditors ("GUC") and other unsecured obligation (collectively "Plan Unsecured Claimants" or "PUC") will receive regular monthly payments according to the plan. Debtor will have the right to pay off the PUC early.

14. At any time after confirmation during the plan period, upon completion of payments to all unsecured creditors and professional claimants, Debtor may apply to the Court and obtain discharge and the final decree closing the case. Investor may ask the court to

1 close the case and enter the final decree before her investment plus profit are paid in
2 full. Attorney may ask the court to close the case and enter the final decree before his
3 fees are paid in full.

4 *15. This plan contemplates that the title and ownership of some or all properties will be*
5 *transferred to and respective mortgages assumed. The transferee and the party*
6 *assuming will be either Attorney or a special purpose entity ("SPE") (a business entity or*
7 *a trust) that will be owned or otherwise controlled by Attorney. The plan contemplates*
8 *two scenarios:*

9
10
11 *a. In first scenario, known as Attorney Control scenario, all six properties are treated*
12 *similarly. Transferee will receive from Debtor title to all six properties and will*
13 *assume each relevant plan mortgage. See Investor Protection section below*
14 *concerning transfer and assumption.*

15
16 *b. In the second scenario, known as Split Control scenario, transferee will receive*
17 *title to and will assume plan mortgages encumbering three properties--Genesee,*
18 *5271 Angeles Vista, and 5303 Angeles Vista (collectively "GAV"). No other*
19 *transfers of title and assumption of mortgages will take place. Title to three*
20 *other properties--Driftwood, West, and 8th Avenue (collectively "DW8")--remains*
21 *with the debtor. Debtor also remains the sole party liable on the DW8 plan*
22 *mortgages.*

23
24
25 *c. Under either scenario, after the transfer and assumption the contractual rate of*
26 *ten percent (10%) will be reduced to five percent (5%).*
27
28

1 16. Exhibit 12 – TS (Treatment Summary) provides the big picture of the treatment of
2 various allowed claims. Treatment Summary format has been cosmetically revised to
3 improve readability.

- 4 a. Column “Dividend Amount (\$) after family contribution” was duplicative and has
5 been removed.
- 6 b. Rows “Eunice Walker” and “Family and Friends” were empty and were also
7 removed.
- 8 c. Some blank lines have been removed.
- 9 d. Some headings have been reduced from three lines to two lines.
- 10 e. Column and row headings have been added for easy reference.
- 11 f. Revised Treatment Summary is attached hereto as Exhibit 12A – TS.

12 17. Exhibit 14 – MS (Management Standards), added to the filed Plan pursuant to Investor’s
13 request, contains good business practices that Debtor is expected to uphold. If Debtor
14 fails to uphold specified practices or specified plan obligation, property management
15 responsibilities will be transferred to a professional manager. See Exhibit 14 for
16 specifics.

- 17 a. It should be clarified that the allotment of liquid funds that Debtor will maintain
18 for day-to-day expenses of \$1,800 is for six properties and is equivalent to \$300
19 per property. When a property is sold the total allotment will be reduced by
20 \$300.
- 21 b. *Exhibit 14-MS (Management Standards) was drafted for the Attorney Control*
22 *scenario. Under the Split Control scenario, management standards will apply*
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1 *differently depending on whether they relate to the entire case or one or more*
2 *properties.*

3 *i. Management standards that apply to the entire case continue in full force*
4 *under Split Control scenario.*

5
6 *ii. Management standards that apply to particular properties continue in full*
7 *force only with regard to properties under Debtor control.*

8
9 18. Exhibit 15 – AFC (Attorney Financial Condition) shows Attorney's FICO score of 753.

10 Since this plan gives some management responsibilities and some discretion to
11 Attorney, his FICO score is offered to demonstrate that Attorney is responsible in
12 management of his own financial affairs and may be trusted with plan management
13 responsibilities and management discretion.
14

15
16 **III. EXPLANATION OF THREE ALTERNATIVE PLANS FOR FOUR, FIVE, AND SIX PROPERTIES**

17
18 19. Debtor has six income properties. Debtor's real estate income and opportunity to
19 benefit from property appreciation depend on which of the three scenarios is included
20 in the confirmed plan. Alternative proposals include:

- 21 a. keeping all six properties,
22
23 b. keeping five properties and abandoning one of two properties located at Angeles
24 Vista Blvd. (collectively "AV Properties"), and
25
26 c. keeping four properties and abandoning both AV Properties.

27 20. The rationale for treating AV properties differently is as follows.

- 28 a. These properties are running a small deficit.

1 b. These properties are co-owned with Mr. Stephenson. The relationship with the
2 co-owner has been difficult, and this creates a management problem.

3 21. Assuming that the properties are included in the postconfirmation estate, the
4 management problem will be addressed postconfirmation via a consensual sale or a
5 partition.
6

7
8 **IV. INVESTOR ENGAGEMENT**
9

10 22. Investor is a successful real estate investor with substantial liquid assets and disposable
11 income. She promises to advance up to \$60,000 to insure plan success. These funds
12 will not be used to pay the plan fees of Attorney Alik Segal ("Attorney").
13

14 23. Exhibit 7 – SD contains two declarations by Investor. The first declaration concerns
15 Investor's financial condition and appears on pages 33-36 of FAPDS. The second
16 declaration deals with the terms of her engagement and appears on pages 37-39 of
17 FAPDS.
18

19 24. The financial condition declaration gives certain figures of net worth and disposable
20 income. In order to protect Investor's privacy Exhibit A does not show Investor's full net
21 worth, liquid assets, and disposable income. Instead it shows that the net worth
22 exceeds \$400,000, liquid assets exceed \$100,000, and disposable income after financial
23 assistance to other persons exceeds \$6,000 per month. The actual net worth, liquid
24 assets, and disposable income after financial assistance to other persons are each
25 greater. Exhibit B to the financial condition declaration is a certificate of deposit with
26
27
28

1 the face value of \$96, 146. Sixty thousand dollars from this certificate of deposit
2 account will be available to invest in this case.

3 25. The goal of investor's engagement is to provide liquidity until, first and foremost,
4 unsecured plan obligations have been paid off. For this reason, she is not interested in
5 the risky (but potentially profitable) strategy of generating a large balance and deriving
6 from that balance substantial amounts of profit. Her goal is to see unsecured
7 obligations paid in full from the first sale (if possible), and then to reduce her balance by
8 getting paid as quickly as possible after the unsecured obligations are paid. After
9 Investor's balance is reduced or entirely eliminated, her obligation to disburse up to the
10 maximum of \$60,000 continues.
11

12 26. For example, it is a foreseeable scenario that the investor disburses \$30,000. The
13 proceeds of the first sale pay the unsecured plan obligations in full and pay \$20,000 to
14 the Investor. Investor's balance is reduced to \$10,000. Thereafter she has the
15 obligation to disburse additional \$50,000. Her goal, after her balance is reduced, is to
16 continue to provide liquidity until she and the Attorney can be paid in full.
17
18
19

20 **V. INVESTOR COMPENSATION**

21 27. Investor will receive compensation for being available to provide funds, for providing
22 funds, and for consulting concerning real estate investment and property management.
23

24 28. For being available to provide funds and for consulting concerning real estate
25 investment and property management, Investor will receive ten percent (10%) of
26 attorney's fees ultimately collected.
27
28

1 29. For actually providing funds and consulting concerning real estate investment and
2 property management, upon case termination, Investor will receive her funds with 10%
3 interest. Some important exceptions apply and are discussed in the Investor Protection
4 section.
5

6
7 **VI. INVESTOR OBLIGATION**
8

9 30. Investor obligation is limited in the following ways.

10 31. Investor will have no obligation to pay Attorney's fees awarded in this case. These fees
11 will be paid from sale proceeds after the investment is repaid with profit.
12

13 32. Investor obligation to disburse funds will be enforceable only by Attorney and will not
14 extend to his assigns, successors, heirs, legatees, personal representatives or any other
15 third parties. Attorney, of course, has a keen interest in seeing that the Plan Unsecured
16 Claimants ("PUC") are paid because he is paid only after the PUC and the Investor.
17

18 33. Investor obligation will be limited under force majeure and frustration of purpose
19 doctrines. For example, Investor will have no obligation to continue investing in case of
20 events such as war, riots, environmental disaster affecting the property, eminent
21 domain, etc. However, Investor will still have the right to collect on her investment
22 pursuant to plan mechanisms to the extent possible.
23

24 34. Investor obligation ends when the Plan Unsecured Creditors are paid in full, Investor
25 receives back her investment with profit, and Attorney receives his awarded attorney's
26 fees.
27
28

VII. INVESTOR PROTECTION

35. Since Debtor has not been able to find an investor, Attorney's long-term friend Stella Berestetsky ("Investor") has agreed to step in and help Debtor. She is only willing to do this as a personal favor to Attorney. Investor is very busy dealing with her own affairs. She would not take time from her work and family or put money at risk if this was only about money. As any other experienced investor who is coming to save a very precarious and risky situation, she wants to have her investment protected to the greatest extent possible. She is entering this case completely blind without having met Debtor, without knowing anyone on Debtor's team and without having current appraisals. She is going into this case and into this investment based solely on Attorney's word.

36. *Accordingly, Investor is willing to help Debtor only if Attorney will be fully in charge, under the Court's review and supervision, over some or all properties. In the Attorney Control scenario, Attorney will have full control over all six properties. In the Split Control scenario, Attorney will have full control over three properties (GAV), and Debtor will have full control over three other properties (DW8).*

37. Upon case termination, Investor will generally receive her funds with 10% interest.

There are two limited circumstances where Investor will receive her investment back with 100% profit.

- a. The goal of this first situation where 100% annual profit will apply is to motivate Debtor to provide his entire disposable income of \$1,326/month. If Debtor fails

1 to provide entire \$1,326 and Investor needs to replace any shortfall, she will
2 earn 100% annual profit on that shortfall. To cut off the profit, Debtor will be
3 free to replace the shortfall within days, weeks, months, or as quickly as possible
4 through assistance from friends and family. Debtor must bring into the estate a
5 steady stream of \$1,326/mo. It is not sufficient for Debtor to bring in nothing in
6 one month and bring in \$2,652 in the subsequent month.
7

8 b. The goal of this first situation where 100% annual profit will apply is to
9 encourage Debtor to produce quality financial reports cost-effectively. Exhibit
10 14 – MS (Management Standards), added pursuant to Investor’s request,
11 contains good business practices that Debtor is expected to uphold.
12 Preconfirmation Debtor has spent substantial financial resources to prepare
13 quality reports. Preconfirmation, this money came mostly from Debtor’s
14 friend—from outside the estate. This condition continues the status quo. The
15 Investor is not responsible to resolve the difficulty Debtor encountered in
16 creating quality reports. It is the responsibility of Debtor and his team to solve
17 this problem. If Debtor cannot solve the problem of preparing cost-effective
18 quality reports postconfirmation, and Investor has to advance funds for this
19 purpose, then Investor should receive annual profit until Debtor is able to
20 replace these funds.
21
22
23
24

25 *38. Investor requests as a condition of her participation that after confirmation, title and*
26 *ownership of some or all properties be transferred to and respective mortgages assumed*
27 *by either Attorney or a special purpose entity (“SPE”) (a business entity or a trust) that*
28

1 *will be owned or otherwise controlled by Attorney. Under the Attorney Control scenario,*
2 *all six properties will be transferred. Under the Split Control scenario, three properties—*
3 *GAV—will be transferred, while three properties—DW8—will remain with the Debtor.*

4 39. One of the goals of this SPE is to prevent the properties to be subject of additional
5 bankruptcy proceedings, and the SPE will be designed specifically for this purpose.
6 Upon payment of debt to Investor and Attorney and upon Debtor receiving discharge,
7 title and ownership of remaining properties will be restored to Debtor, and he will
8 assume respective mortgages. Debtor will also have the option to paying off plan debts
9 by prepaying some or all mortgages. This provision may be uncommon, but it is
10 necessary for the execution of this plan. As a corollary, to the extent that some
11 stipulations or loan documents contain clauses to the contrary, this plan, if confirmed,
12 will supersede these clauses.

13 40. Although the title to estate real property may be held in the name of Attorney or a
14 special purpose entity, such as a business entity or a trust, Debtor will remain liable to
15 the mortgagees, as he would be if he held title directly and was the mortgagor.

16 41. On the Effective Date, or as soon thereafter as practical, Investor will receive a secured
17 instrument similar to a secured line of credit, a note secured by a recorded trust deed.
18 Unlike ordinary lines of credit, no payment will be due on this line of credit until funds
19 are available to pay down or pay off the balance.

20 42. When the case terminates successfully or otherwise, investment plus profit will become
21 a balloon immediately due and payable. Unless the balloon could be settled in cash
22 within thirty days, the portfolio will be listed for sale under the Investor's license or by
23 24 25 26 27 28

another licensee designated by Investor. If equity is available, properties will be sold until investment plus profit are paid off. If equity is exhausted by the Investor's investment plus profit, Attorney may receive no distribution.

43. Debtor will be primarily responsible to repay the investment plus profit. Attorney will personally guarantee repayment of these funds to Investor.

44. Investor is entitled to ten percent of attorney's fees ultimately collected by Attorney.

45. The estate will maintain life insurance on the life of the debtor with a \$400,000 benefit.

The policy will provide for ten-year level non-smoking premiums. The first beneficiary of the policy will be the unsecured creditors of the estate. After the unsecured creditors are paid, the remaining funds will go directly to the Investor and, thereafter, directly to the Attorney. Debtor will designate remainder beneficiary.

VIII. CLARIFICATION OF EXHIBIT 14 – MS

46. *Exhibit 14-MS (Management Standards) was drafted for the Attorney Control scenario.*

Under the Split Control scenario, management standards will apply differently depending on whether they relate to the entire case or one or more properties.

a. Management standards that apply to the entire case continue in full force under Split Control scenario.

b. Management standards that apply to particular properties continue in full force only with regard to properties under Debtor control.

47. Debtor will have full property management responsibilities from confirmation. If Debtor fails to carry out his management or certain other plan obligations listed in Exhibit 14 -

1 MS (Management Standards), Attorney after a motion and court order may take over
2 the management responsibilities or hire a professional property manager. These
3 standards are practical and common sense requirements mandated by the Investor.
4 One the standards requires that Debtor contribute his entire disposable income to the
5 estate from his primary occupation as a professional musician. Paragraph 5 in Exhibit 14
6 – MS provides that if Debtor fails to provide his full disposable income for three months
7 (consecutive or not) on the first of the month debtor will be freed from property
8 management responsibilities so he can focus on his music profession. This provision at
9 Line 1 of Paragraph 5 requires two clarifications.
10
11

12 48. First, Debtor's disposable income is calculated and established in Exhibit 1 – DCPI
13 (Declaration of Current/Postpetition Income). The value of Debtor's disposable income
14 calculated in Exhibit 1 is \$1,436. Exhibit 14 - MS (Management Standards) which defines
15 Debtor's obligation to contribute entire disposable income and consequences if he fails
16 to do so, shows a different number--\$1,326 per month. This discrepancy requires an
17 explanation.
18
19

20 49. The amount \$1,436 is the sum of Debtor's real estate income with six properties
21 \$110/mo and Debtor's music income \$2,826/mo less Debtor's expenses of \$1,500/mo.
22 The income shown in Exhibit 14 – MS \$1,326/mo is a figure that excludes real estate
23 income. Debtor is only responsible to keep his music income at or above \$2,826/mo or
24 to keep his expenses at or below \$1,500/mo. so he can contribute from his music
25 income (after his personal expenses) \$1,326/mo.
26
27
28

1 50. Second, Debtor is required to contribute his entire disposable income even if it exceeds
2 \$1,326.

3
4 **IX. RESOLVING MANAGEMENT TITLE OBSTACLES TO PROPERTY SALES**

5
6 51. Debtor co-owns two properties with another individual, Maurice Stephenson ("Co-
7 owner"). The relationship between co-owners has been difficult. The two gentlemen
8 have had difficulty achieving cooperation. This difficulty is a management problem.
9 Debtor will resolve this problem via a sale or by partition action of the two Angeles Vista
10 Boulevard properties ("AV properties) in state court.

11
12 52. Currently, the sum of the loans encumbering each property exceeds its fair market
13 value. One or more parties holding the mortgages thus will need to settle with Debtor's
14 co-owner Mr. Stephenson. Mr. Stephenson has expressed a desire in the past to
15 consummate a short sale and is reasonably expected to cooperate. Without a partition,
16 a short sale or a foreclosure may be impossible or impractical.

17
18 53. In addition to Mr. Stephenson, another co-owner Esther Escalante holds five percent of
19 each AV property. In other words, fifty percent is held by Mr. Stephenson, forty five
20 percent is held by Debtor, and five percent is held by Ms. Escalante.

21
22 54. Ms. Escalante has given no consideration for her interest. The transfer was done on
23 advice of a rogue paralegal with the knowledge and consent of the attorney Guy Bayley,
24 who was advising Debtor at the time. Because Ms. Escalante paid no value for the
25 transfer, her interest is vulnerable to an action for quiet title. Muktarian v. Barmby, 63
26 Cal.2d 558 (1965).
27
28

1 55. For the partition and quiet title litigation, to the extent this work is done before the first
2 sale, the following terms will apply. Attorney will work with an experienced real estate
3 attorney. Experienced real estate attorney will need to be paid up front. The bulk of
4 the real estate legal work will be done by Attorney. Attorney will be paid for this work
5 from proceeds of the partition. The money to pay the experienced real estate attorney
6 will come from the estate. In practice, it will be provided by the Investor. Most likely
7 the partition will result in a sale of the properties to third parties. As a corollary, if the
8 sale of Co-owner's interest does not pay off all liens, mortgagees will have state court
9 remedies against the Co-owner.
10
11

12 56. The proceeds will be divided as follows.

13 57. The purpose of this paragraph is to clarify that there are two types of attorney's fees for
14 purposes of the partition statute.
15

- 16 a. California Code of Civil Procedure § 874.010(a) allows for the recovery of those
17 attorney fees incurred by a party for the common benefit. Stutz v. Davis, 122
18 Cal. App. 3d 1, 5 (1981). These will be called Common Benefit Attorney's Fees.
19
20 b. On the other hand, attorney's fees that benefit attorney's client (here the estate)
21 vis a vis other co-owners are not recoverable directly from the proceeds and are
22 the responsibility of the client. These will be called Client-Only Attorney's Fees.
23
24 c. Common Benefit Attorney's Fees will be paid to the attorney directly from the
25 proceeds, in the same way that a realtor gets paid from the sale proceeds before
26 anyone else. Client-Only Attorney's Fees will be paid as described below.
27
28

1 58. The 50% share of Maurice Stephenson's proceeds from each property will be paid to the
2 holder of the first lien on the respective property. Any remainder of the share of Mr.
3 Stephenson will be paid to the holder of the second lien. The 50% share of the Debtor
4 will be used first to pay the holder of the applicable plan mortgage. The remainder, if
5 any, will be paid to the General Unsecured Creditors. The remainder, if any, will be paid
6 to reimburse the Investor for any funds already advanced. After being reimbursed from
7 partition proceeds, the Investor will have a continuing obligation to advance funds, up
8 to \$60,000. Any funds remaining from partition proceeds will go to pay Attorney's real
9 estate fees and bankruptcy fees.
10

11
12 59. *Some or all properties that will have equity beyond transaction costs may be sold at*
13 *Attorney's discretion to pay PUC, the Investor, and the Attorney's fees in that order.*
14 *Under the Attorney Control scenario, Attorney may sell any property in any order. Under*
15 *the Split Control scenario, Attorney may only sell GAV properties. Eighth Avenue*
16 *property may be sold but only after GAV properties have been sold and proceeds were*
17 *not sufficient.*
18
19

20 60. Debtor has the option to pay off all debts including pre-petition debts, debt to Investor
21 and the debt to Attorney by finding another investor to pay off all of these debts or by
22 finding new financing—secured or otherwise—to pay off all of these debts.
23

24
25 **X. GENERAL TERMS**
26

27 61. As of the Effective Date, the obligations shall be deemed current. All pre-petition
28 defaults are cured by confirmation of the plan and all foreclosure actions including any

1 notice of default or sale are void. All other terms of the existing loan documents not
2 inconsistent with this plan shall remain in full force and effect and apply to the secured
3 portion of the claim. In the event Debtor fails to comply with these terms, secured
4 creditors shall have all remedies as called for in the original contract. The allowed
5 unsecured portion of the claim shall be paid as part of the general unsecured claims as
6 described in Class 6 above.
7

8 62. The Plan provides that the Effective Date is 14 days after the confirmation order is
9 entered. Page 8, Article VII, Par B. Disclosure Statement provides that the period is 30
10 days. Page 10. The correct period is 14 days.
11

12 63. In Exhibit 2 – ISCC, page 27 of 57, the holder of the claim classified as 5(d)(2) is listed as
13 Bank of America. The correct holder for all purposes is CitiBank N.A. as Trustee for
14 CMLTI Asset Trust its successors and/or assigns by its duly authorized agent PennyMac
15 Loan Services, LLC.
16

17
18 **XI. EXISTING STIPULATIONS**
19


20 64. Existing stipulations with creditors are the following:
21

- 22 a. Stipulation re 1675 West Blvd, Los Angeles, CA 90019 has been filed as docket
23 no. 127.
24 b. Stipulation re 13755 Driftwood Drive, Victorville, CA 92395 (First Lien) has been
25 filed as docket no. 98.
26 c. Stipulation re 13755 Driftwood Drive, Victorville, CA 92395 (Second Lien) has
27 been filed as docket no. 94. Order approving was entered as docket no. 96.
28

30

Date: September ~~29~~, 2014

X


Signature of Debtor

Joseph Williams

Printed name of Debtor

30

Date: September ~~29~~, 2014

/s/ ALIK SEGAL

Signature of attorney for Debtor, if any

Alik Segal 175159

Printed name of attorney for Debtor, if any

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

30

Date: September ~~29~~, 2014


Signature of Debtor

	A	B	C	D	E	F	H	I	J	K	L	M	N	O	P	Q	
1	EXHIBIT 12 - TS (Treatment Summary)																
4																	
5	Schedule D Claim Treatment - Mortgages																
6	Class	Name	Property	Post-pet'n arrear	FMV	Secured Claim	Term (y)	Term (mo)	Rate (ann)	P&I/mo	1st Pmt date (Est)	Last Payment	Annual P&I	Lifetime P&I	Pmt/mo w/o 5303	Pmt/mo w/o 5303, 5271	
7	5(a)(2)	FNMA - Federal National Mortgage As	3629 S Genesee Ave, Los Angeles, CA 90016	10,512	362,000	372,512		480	5.25%	1,858	5/1/2014	4/1/2054	22,300	892,009	1,858	1,858	
8	5(b)(1)	US Bank, N.A.	1675 West Blvd, Los Angeles, CA 90019		265,000	265,000		402	4.00%	1,198	7/15/2013	12/15/2046	14,372	481,446	1,198	1,198	
9	5(f)(1)	Bank of America, N.A.	5356 8th Ave, Los Angeles, CA 90043	12,291	300,000	312,291		480	5.00%	1,506	4/1/2014	3/1/2054	18,070	722,811	1,506	1,506	
10	5(e)(1)	Citibank, N.A.	13755 Driftwood Drive, Victorville, CA 92395		172,000	172,000		360	5.25%	950	7/1/2013	6/1/2043	11,397	341,925	950	950	
11	5(c)(1)	Bank of America, N.A.	5271 Angeles Vista Blvd, Los Angeles, CA 90043	7,162	390,000	397,162		480	5.00%	1,915	7/1/2013	6/1/2053	22,981	919,249	1,915		
12	5(d)(2)	Bank of America, N.A.	5303 Angeles Vista Blvd, Los Angeles, CA 90043	10,000	440,000	450,000		480	5.25%	2,245	1/1/2014	12/1/2053	26,939	1,077,560			
13	TOTAL			39,965	1,929,000	1,968,965				9,672			116,060	4,434,999	7,427	5,512	
14																	
15	Schedule D Claim Treatment - Property Tax																
16	Class	Name	Property	Post-pet'n arrear	FMV	Secured Claim	Term (y)	Term (mo)	Rate (ann)	P&I/mo	1st Pmt date (Est)	Last Payment	Lifetime P&I				
17	5(a)(1)	Los Angeles County Tax Collector	3629 S Genesee Ave, Los Angeles, CA 90016			138		1	0.00%	138	2/1/2015	2/1/2015	138				
18	5(d)(1)	Los Angeles County Tax Collector	5303 Angeles Vista Blvd, Los Angeles, CA 90043			105		1	0.00%	105	2/1/2015	2/1/2015	105				
19	TOTAL					243				243			243				
20																	
21	Schedule E Priority Claims Treatment																
22	Class	Name				Amount	Term (y)	Term (mo)	Rate (ann)	P&I/mo	1st Pmt (Est)	Last Payment	Annual P&I	Lifetime P&I			
23	Priority Unsecured	Internal Revenue Service				2,095	2.50	30	3%	73	2/11/2015	7/11/2017	871	2,177			
24																	
25	Administrative (pre-confirm)																
26	Class	Name	Property			Amount	Term (y)	Term (mo)	Rate (ann)	P&I/mo	1st Pmt (Est)	Last Payment	Annual P&I	Lifetime P&I			
27	Unclassified Administrative	Citibank, N.A.	13755 Driftwood Drive, Victorville, CA 92395			1,240	3	36	0%	34	7/1/2013	6/1/2016	413	1,240			
28	Debtor's Counsel	Alik Segal (approximate & subj to court order)		250,000		250,000	5	60	5%	4,718	2/1/2015	1/1/2020	56,614	283,069			
29																	
30	General Unsecured Treatment																
31	Class	Number of Properties	Effective Date Family contribution	Total Unsec'd Claims	Dividend Rate (%)	Divedend Amount (\$)	Term (y)	Term (mo)	Rate	P&I/mo	1st Pmt (Est)	Last Payment	Annual P&I	Lifetime P&I			
32	Gen Unse'd	6		1,479,969	5%	73,998	5	60	0.00%	1,233	2/1/2015	1/1/2020	14,800	73,998			
33	Gen Unse'd	5		1,020,388	5%	51,019	5	60	0.00%	850	2/1/2015	1/1/2020	10,204	51,019			
34	Gen Unse'd	4		740,780	5%	37,039	5	60	0.00%	617	2/1/2015	1/1/2020	7,408	37,039			
35																	
37											6 Props	5 Props	4 Props				
38	Net Real Estate Income (after MTG etc.)										110	205	456				
41	Net Music Income										2,826	2,826	2,826				
42	TOTAL NET TAKE-HOME INCOME										2,936	3,031	3,282				
43	Personal Expenses										(1,500)	(1,500)	(1,500)				
44	DISPOSABLE INCOME										1,436	1,531	1,782				
45																	
46	Schedule E Priority Claims Treatment										(73)	(73)	(73)				
47	Unclassified Administrative										(34)	(34)	(34)				
48	General Unsecured Treatment										(1,233)	(850)	(617)				
49	TOTAL DEBT SERVICE w/o ATTY FEES										(1,340)	(957)	(724)				
50	Admin (post confirm - UST, CPA, Life Insurance)										(600)	(600)	(600)				
51	TOTAL EXPENSES										(1,940)	(1,557)	(1,324)				
52	Surplus (Deficit) w/o Atty Fees										(504)	(26)	458				
53	Debtor's Counsel										(4,718)	(4,718)	(4,718)				
54	Surplus (Deficit) w/ Atty Fees										(5,222)	(4,744)	(4,260)				

DECLARATION OF STELLA BERESTETSKY

I, Stella Berestetsky, do hereby declare as follows:

1. I have personal knowledge of the facts set forth herein, except where otherwise stated. If called upon to testify to the statements in this Declaration, I could and would competently do so under oath. The attached exhibits, if any, are true and correct copies of what they are described to be.

2. I am a resident of the State of California. I am over 18 years old and am competent to make this Declaration.

3. I reviewed the Revised Addendum dated September 30, 2014 and agree to the revised terms.

I declare under penalty of perjury, under the laws of the United States, that the foregoing is true and correct, and that this declaration was executed by me on the 11th day of September, 2014, at Los Angeles, California.



Dated: September 30, 2014

/s/ Stella Berestetsky
Stella Berestetsky, Declarant

DECLARATION OF STELLA BERESTETSKY

In re:
Joseph Williams

Debtor(s).

CHAPTER: 11

CASE NUMBER: 1:12-bk-20158-AA

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
433 N. Camden Dr. #400, Beverly Hills, CA 90210

A true and correct copy of the foregoing document entitled (*specify*): **Revised Plan Addendum; Declaration of Stella Berestetsky** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **09/30/2014**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On **09/30/2014**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Judge
The Honorable Alan M. Ahart
United States Bankruptcy Court
21041 Burbank Boulevard, Suite 342
Woodland Hills, CA 91367

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

September 30, 2014 **Gregorey Grigoryants 286804**

Date Printed Name

/s/ Gregory Grigoryants

Signature

1:12-bk-20158-AA Notice will be electronically mailed to:

Mark Domeyer on behalf of Interested Party Courtesy NEF
mark.domeyer@wolffirm.com

Jacqueline S Eberhard on behalf of Creditor Bank of America, N.A., its assignees and/or successors
bknotice@mccarthyholthus.com

Lemuel Bryant Jaquez on behalf of Creditor Citibank, N.A. as Trustee for Bear Sterns ALT-A Trust,
Mortgage Pass-Through Certificates, Series 2006-8
bjaquez@mileslegal.com

Neil M Katsuyama on behalf of Creditor Maurice Stephenson
nmkatsuyama@jonesbell.com, neil.katsuyama@gmail.com

Vanessa Lewis on behalf of Creditor Ocwen Loan Servicing, LLC
vanessa.lewis@ocwen.com

Erica T Loftis on behalf of Creditor Wilmington Trust, N.A., as trustee for the structured asset mortgage
investments II trust, mortgage pass-through certificates, series 2007-AR2
bknotice@rcolegal.com

Terry Loftus on behalf of Creditor Bank of America, N.A.
bknotice@mccarthyholthus.com, tloftus@mccarthyholthus.com

Terry Loftus on behalf of Creditor Green Tree Servicing, LLC
bknotice@mccarthyholthus.com, tloftus@mccarthyholthus.com

Casey J OConnell on behalf of Creditor Citibank, N.A. as Trustee for Bear Sterns ALT-A Trust, Mortgage
Pass-Through Certificates, Series 2006-8
ch11ecf@piteduncan.com, mrc@ecf.inforuptcy.com

Casey J OConnell on behalf of Creditor U.S. Bank National Association, as Trustee for Greenpoint
Mortgage Funding Trust Mortgage Pass-Through Certificates, Series 2006-AR8
ch11ecf@piteduncan.com, mrc@ecf.inforuptcy.com

Casey J OConnell on behalf of Creditor U.S. Bank National Association, as Trustee, successor in interest
to Bank of America, National Association as Trustee as successor by merger to LaSalle Bank National
Association, as Trustee for Certif
ch11ecf@piteduncan.com, mrc@ecf.inforuptcy.com

Casey J OConnell on behalf of Interested Party Courtesy NEF
ch11ecf@piteduncan.com, mrc@ecf.inforuptcy.com

Renee M Parker on behalf of Creditor Federal National Mortgage Association (Fannie Mae), creditor c/o
Seterus, Inc.
bknotice@earthlink.net, rmparker@wrightlegal.net

Renee M Parker on behalf of Interested Party Courtesy NEF
bknotice@earthlink.net, rmparker@wrightlegal.net

Kelly M Raftery on behalf of Creditor Bank of America, N.A.
bknotice@mccarthyholthus.com

Kelly M Raftery on behalf of Creditor Wilmington Trust, NA, successor trustee to Citibank, N.A., as
trustee, on behalf of the holders of the Structured Asset Mortgage Investments II Inc., Bear Stearns ALT-
A Trust II, Mortgage Pass- Throug
bknotice@mccarthyholthus.com

S Margaux Ross on behalf of U.S. Trustee United States Trustee (SV)
margaux.ross@usdoj.gov, margauxla@yahoo.com

John D Schlotter on behalf of Creditor CITIBANK N.A. AS TRUSTEE FOR CMLTI ASSET TRUST, BY
PENNYMAC LOAN SERVICES, LLC, ITS SERVICING AGENT
ecfmail@aclawllp.com

John D Schlotter on behalf of Creditor PennyMac Loan Services, LLC
ecfmail@aclawllp.com

Alik Segal on behalf of Debtor Joseph Williams
alik.segal@bkfort.com, alik.segal.ecf.mem@gmail.com

Timothy J Silverman on behalf of Creditor CITIBANK N.A. AS TRUSTEE FOR CMLTI ASSET TRUST, BY
PENNYMAC LOAN SERVICES, LLC, ITS SERVICING AGENT
tim@sgsslaw.com

Timothy J Silverman on behalf of Creditor Citibank, N.A. As Trustee For CMLTI Asset Trust its successors
and/or assigns by its duly authorized agent PennyMac Loan Services, LLC
tim@sgsslaw.com

Bill Taylor on behalf of Creditor SELECT PORTFOLIO SERVICING, INC.
ecfnotices@4stechnologies.com

United States Trustee (SV)
ustpregion16.wh.ecf@usdoj.gov

Perry W Wade on behalf of Creditor Green Tree Servicing LLC
perry.w.wade@gt-cs.com

Edward T Weber on behalf of Interested Party Courtesy NEF
bknotice@rcolegal.com

1:12-bk-20158-AA SERVED BY UNITED STATES MAIL:

Charles Chase
25622 Horizon St.
Apple Valley, CA 92308

Internal Revenue Service
Centralized Insolvency Office
POB 7346
Philadelphia, PA 19101

Los Angeles County Tax Collector
225 N. Hill St., Rm. 130
Los Angeles, CA 90012

Brian T. Moynihan, President - Via Certified Mail
Bank of America N.A.
100 North Tryon St
Charlotte, NC 28202